

**YAKIMA COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Yakima County, Washington**  
**January 1, 1991 Through December 31, 1993**

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**Schedule Of Findings ) Ahtanum Irrigation District**

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1. Ahtanum Irrigation District Should Improve Controls Over Cash Receipts

During our follow up of prior audit's recommendations for the implementation of cash receipt control procedures, we noted that the district is still not preparing official receipt forms to evidence the collection of cash receipts at its district office.

RCW 43.09.200 states in part:

. . . The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction . . . .

*Budgeting, Accounting and Reporting System* (BARS) manual, Volume 1, Part 3, Chapter 1, pages 23-24 states in part:

. . . Internal control systems and all other significant events are to be clearly documented, and the documentation is to be readily available for examination.

The absence of adequate internal controls over the cash receipting system at the district results in increased risk that errors and/or irregularities could occur and not be detected in a timely manner.

We recommend that the district improve its cash receipt controls by preparing official receipt forms for collections at its district office.

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**Schedule Of Findings ) Selah-Moxee Irrigation District**

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1. Selah-Moxee Irrigation District Imprest Account Should Be Properly Maintained

In the prior audit of the Selah-Moxee Irrigation District, we noted that as of December 31, 1990, there was a shortage of \$91.41 in the secretary's imprest bank account. Accordingly, we recommended that district personnel determine the cause of and resolve the shortage. We also recommended that the account be reconciled to its authorized amount on a periodic basis.

During our current audit we noted that as of December 31, 1993, the account had a shortage of \$300.23. We also noted that a periodic reconciliation to the account's authorized amount is not being performed. We evaluated account activity and determined that the December 31, 1994, shortage consists of the following:

12/31/90 unexplained shortage	\$ (91.41)
1991 and 1993 bank charges not replenished	(73.77)
Checks issued but not replenished	
1991 (80.87)	
1992 (226.54)	
1993 (1,351.81)	(1,659.22)
Checks voided but not reduced from subsequent replenishments	752.12
Checks issued for amounts less than replenished	<u>772.05</u>
Total Shortage	<u>\$ (300.23)</u>

The BARS manual, Volume 1, Part 3, Chapter 3, page 23 states in part:

. . . At the time of replenishment, the custodian should ensure that the balance remaining . . . together with the amount of the replenishment voucher, equals the authorized amount . . .

Failure to reconcile the imprest account to its authorized amount on a periodic basis results in an increased risk that errors or irregularities could occur and not be detected in a timely manner.

We recommend that the district resolve the shortage in the imprest bank account and

reconcile to the authorized amount on a periodic basis.

Auditor's Concluding Remarks

The district was given an opportunity to respond but no response was received. We will follow up on the corrective actions taken by the district, if any, during our next examination.

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**Schedule Of Findings ) South Naches Irrigation District**

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1. South Naches Irrigation District Should Comply With Requirements For Designation Of A Treasurer

In October 1990, the board of directors of the South Naches Irrigation District designated their own treasurer. This action was taken by the district without consulting the county treasurer.

Since 1992 this designated treasurer and the chairman of the board have deposited and disbursed grant and other miscellaneous revenues from a local bank account. Irrigation assessments and other district revenues are being collected and disbursed via the county treasurer.

RCW 87.03.440, states in part:

. . . the board of directors . . . may designate some other person having experience in financial or fiscal matters as treasurer of the district if the board has the approval of the county treasurer . . .

. . . The designated treasurer shall collect and receipt for all irrigation district assessments on lands within the district and shall act with the same powers and duties and be under the same restrictions as provided by law for county treasurers acting in matters pertaining to irrigation districts . . .

District officials were unaware of the statutory requirements concerning treasurer's duties.

The district's actions result in violations of the statute cited.

We recommend that district officials:

- a. Request approval from the county treasurer for the designated treasurer and begin performing the duties of collecting irrigation assessments; or
- b. Eliminate the designated treasurer position and remit all moneys to the county treasurer.